

DRAFT v8

ANNUAL REPORT

2007/08



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

LIST OF ABBREVIATIONS

ACDP	African Christian Democratic party
AG	Auditor-General
ANC	African National Congress
CAM	Cape Agulhas Municipality
CAPEX	Capital Expenditure
CFO	Chief Financial Officer
DA	Democratic Alliance
DPLG	Department of Provincial and Local Government
EE	Employment Equity
EIA	Environmental Impact Assessment
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IGR	Inter Governmental Relations
IFRS	International Financial Reporting Standards
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MAYCOM	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MSA	Municipal Systems Act No. 32 of 2000
MTECH	Medium Term Expenditure Committee
NT	National Treasury
OPEX	Operating expenditure
OVDM	Overberg District Municipality
PMS	Performance Management System
PT	Provincial Treasury
SDBIP	Service Delivery and Budget Implementation Plan
SCM	Supply Chain Management
SDF	Spatial Development Framework

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CHAPTER 1: INTRODUCTION AND OVERVIEW

1.1 PREFACE BY THE EXECUTIVE MAYOR

It gives me great pleasure as the Executive Mayor of Cape Agulhas Municipality to present Council's annual report for the 2007/2008 financial year to Council, the public and our various role players and stake holders.

The Annual Report provides a snapshot of how Cape Agulhas Municipality performed towards basic service delivery, ensuring sustainable infrastructure, promoting socio-economic standards, democracy and good governance. It also shows the emphasis placed on transforming Cape Agulhas Municipality from a basic service delivery entity towards a more developmental approach that will ensure sustainable and shared growth, overcoming the imbalances of the past.

The Annual Report shows the Municipality's performance against the budget and provides proof of expenditure decisions made to enhance service delivery. A performance management system as prescribed in the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and the Local Government: Municipal Planning and the Performance Management Regulations, 2001 was adopted to include all staff members of the Municipality, improving accountability towards Cape Agulhas residents and role players. Cape Agulhas is one of the first local municipalities in South Africa to fully implement such system to the lowest level.

Cape Agulhas Municipality is very proud that yet another unqualified financial audit was received. The credit for this belongs to not only the political leadership and officials, but also to the community who played an active role in the key decisions made by Council via the input received from the monthly ward committees, special meetings with stakeholders, the quarterly ward meetings and 6-monthly imbizo's. The Municipality believes that governing a municipal area requires an enlightened community who fulfill their role in holding the municipality accountable for service delivery and good developmental governance. Information is disseminated through weekly notices and articles in the local newspapers, notices on municipal accounts, newsletters, as well as ward committee and stakeholder meetings. Training was also provided to the ward committee members to enable them to fulfill their role to the best of their abilities. These community leaders do not receive any money for the work they do and deserve our sincere thanks for their unselfish and tireless contribution in building a better municipality and society.

As a developmental local government Cape Agulhas Municipality, strives to facilitate sustainable local economic development that addresses the imbalances of the past. This includes the provision of high quality infrastructure such as the long awaited water pipeline to Arniston / Waenhuiskrans and expands to job creation projects, support to upcoming entrepreneurs, the attraction of outside investment and co-operation with strategic partners and role players. Greater emphasis on this area is provided in the current financial year and we invite residents to evaluate our progress in this respect during the 2008/2009 financial year.

I hereby wish to give recognition and acknowledge with gratitude, the significant inputs and valuable contributions made by all Councillors, the Municipal Manager, senior managers, officials and members of the public.

Together, in God's grace, we shall continue in building a brighter future where all shall prosper.

Richard G Mitchell
Executive Mayor

1.2 OVERVIEW BY THE MUNICIPAL MANAGER

It is a privilege to be an associate to the Annual Report of the Cape Agulhas Municipality for the 2007/08 financial year.

It is expected from the Office of the Municipal Manager to implement the programmes of the Municipality in accordance with applicable legislation and policy frameworks.

The report, therefore, is a reflection of how the municipality had fared in its efforts to implement the five national key performance areas.

It is well recorded that the Cape Agulhas Local Municipality is one of a few local authorities that had received an unqualified audit report, from the Auditor-General. Once again the Development of Bank of SA awarded an A+ grading to the Municipality for its sound budgetary control and financial management. This is a reflection of the fortunate position to have well-skilled officials who understand that maintaining an effective financial management system signifies an effective institution.

Local Economic Development was identified as one of the key challenges for the municipality in the previous financial year. However, in this financial year various projects were implemented despite the lack of a comprehensive strategy, for example the highly successful Agri-dwala agricultural project that is supported by the municipality.

It is noted that the provincial department had assisted the Municipality in June 2008 with drawing up an action plan to compile the LED strategy. In addition Council had made available an amount of R480 000 for a socio-economic household survey to inform the LED strategy.

About the other national key performance areas, the Cape Agulhas Municipality continues to excel in good governance and public participation, as well as basic service delivery, especially to indigent households. Progress has also been made with regard to institutional transformation and with the advancement of BBEE.

I would like to acknowledge the contributions of the Executive Mayor, Cllr Richard Mitchell, other Councillors, the Senior Management Team, as well as Mr Keith Jordaan, the municipal manager for the period under review.

Reynold Stevens
Municipal Manager

1.3 INTRODUCTION

Local Government is the closest sphere of government to the citizenry. Elected leaders are required to involve citizens in decisions regarding their own government, including the determination of priorities and key programmes of the municipality. Although functions are divided among National, Provincial and Local Government, it is important for all three spheres to work together in a co-operative way to deliver on the social contract.

Local government is positioned to create the participatory framework that defines and enhances the relationship between representatives and the community. Part of its mandate requires that the leadership of the Municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality. The Cape Agulhas Municipality commits itself to the vision of:

“To deliver ongoing sustainable effective services to all residents, and visitors to the area in order to create a sound and safe environment for happy communities”

The Annual Report is a very important measure of ensuring that there is regular, impartial feedback to stakeholders, thereby strengthening accountability and transparency. The Annual Report is developed in terms of the Municipal Finance Management Act (MFMA), as represented in the table below:

SECTION	REQUIREMENT	LEGISLATIVE PROVISION
121(3)(a)	Annual Report with consolidated financial statements	Annual financial statements of the municipality, and, in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1)
121(3)(b)	Auditor-General's audit report	Auditor-General's audit report in terms of section 126(3) on those financial statements
121(3)(c)	Annual performance report	Annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act
121(3)(d)	Auditor-General's performance audit report	Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act
121(3)(e)	Accounting Officer's assessment on arrears	Assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges
121(3)(f)	Accounting Officer's assessment of performance on each vote of the budget	Assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for each vote in the municipality's approved budget for the relevant financial year
121(3)(g)	Audit corrective actions	Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d)
121(3)(h)	Explanations to clarify financial statements	Explanations that may be necessary to clarify issues in connection with the financial statements
121(3)(i)	Other information	Information as determined by the municipality
121(3)(j)	Audit Committee recommendations	Recommendations of the municipality's Audit Committee
121(3)(k)	Other prescribed information	Other information as may be prescribed

Table 1: MFMA requirements for Annual Report

Section 46(1) of the Municipal Systems Act (MSA) requires municipalities to prepare a performance report for each financial year, setting out the performance of the municipality and its external service providers, a comparison between targets and performance in the previous financial year and measures taken to

improve performance. As shown above, the annual performance report must form part of the annual financial report.

The 2007/08 Annual Report reflects on the performance of the Cape Agulhas Municipality for the period 1 July 2007 to 30 June 2008. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year. Circular 11 issued in terms of the MFMA also provide guidance on the formulation and preparation of Annual Reports.

1.4 CAPE AGULHAS AT A GLANCE

Cape Agulhas Municipality is the southernmost local municipality in Africa. Its coastline is surrounded by the Atlantic and Indian oceans which meet at the most southern town in Africa, named L'Agulhas. The geographical area consists of approximately 2 411 km². The Municipality falls within the jurisdiction of the Overberg District Municipality. The area includes a number of big rural areas, as well as the following towns:

Bredasdorp:

Bredasdorp is situated at the crossing of the N2 and the R316 route from Caledon to Arniston and on the R319 route from Struisbaai / L'Agulhas to Swellendam. Although it has a typical rural atmosphere, it has an average business core with all the important services, such as a hospital, clinic, police station and others.

Napier

Napier is situated between Caledon en Bredasdorp on the R316 route. The town consists of a number of small businesses with agriculture as the dominant economic activity in the areas.

Waenhuiskrans / Arniston

Waenhuiskrans/Arniston is probably the only town in South Africa with two acknowledged names. This fisherman's town is situated approximately 24km from Bredasdorp on the R316 route.

Struisbaai

Struisbaai is known for its 14km white sand beach. This is the longest uninterrupted beach in the southern hemisphere. This beach town is a popular holiday town that attracts visitors throughout the year.

L'Agulhas

L'Agulhas is the most southern town in Africa. The legendary point of Africa is surrounded by both the warm Indian and the cold Atlantic Oceans that meet at the most southern point.

Suiderstrand

This beach town is situated approximately 5km from L'Agulhas. Suiderstrand is also a holiday town and was established as a result of a need for holiday houses with a rural character.

Elim

Elim is a historical Moravian missionary station with monumental status.

Klipdale en Protem

Both this rural towns owe their establishment and development to the railroad and the grain silo's that were built there.

Rural Areas

Except for the occasional emptying of septic tanks on farms no basic services are rendered to farm workers. Farm owners, however, do get a rebate on property rates for basic services rendered to farm workers. A study was done in 2007 to determine the backlogs in terms of basic water and sanitation services in rural areas. Potable water is supplied by Overberg Water and sanitation services are supplied by the land owners themselves.

The town is currently structured into the following 5 Wards:

WARD	AREAS
1	Napier, Elim, Haasvlakte and surrounding farms
2	Part of Bredasdorp, Klipdale, Protem and surrounding farms
3	Part of Bredasdorp (Selfbou area, Kleinbegin, Zwelitsha, Kalkoonde area, Volstruiskamp)
4	Part of Bredasdorp
5	Aniston, Struisbaai, L'Agulhas, Suiderstrand and surrounding farms

Table 2: Municipal Wards

As mentioned before the main town, Bredasdorp, has a typical rural atmosphere, but with an average business core with all the important services, such as a hospital, clinic, police station and others. Below is a map of the Western Cape that indicates the location of the Municipality



The population of 26 468 for the Cape Agulhas municipal area for 2006, constituted only 12,8% of the total population in the Overberg district. This makes Cape Agulhas the smallest municipality in terms of population size. There are a total number of 7 653 households that lives in the municipal area. 83,2% live in urban areas with the remaining 16,8% living in rural areas. Between 2001 and 2006, Cape Agulhas Municipal area recorded the second lowest population growth rate of 2,1% in the Overberg district and the provincial treasury projects in its socio economic profile (2006) that the population growth will be 1.7 % between 2006 and 2010. The population of the Cape Agulhas local municipality is predominantly Coloured (68.8%).

The Demographic information of the municipality is as follows:

Number of Households	Total Population	African	Coloured	Indian	White
7 653	26 468	1 484	18 212	37	6 734
100%	100%	5.61%	68.8%	0.1%	25.5%

Table 3: Demographic information of the municipality

The Socio-economic information of the municipality is as follows:

Housing backlog (2008)	Unemployment rate (%)	Proportion of house-holds with no income (%)	Skills prop. of pop. – Low skilled employ. (%)	HIV/AIDS prevalence 2005 (%)	People older than 14 years illiterate (%)	Urban/rural household split (%)
2 904	14.2	6.0	40.4	2.1	37.4	83.2/ 16.8

Table 4: Socio-economic information of the municipality

It is estimated that 72% of the population of Cape Agulhas Municipality are aged between 39 years and younger. This indicates that Cape Agulhas Municipality has a fairly young population. The median age is 30 years. The dependency ratio for 2006 was projected to decline substantially to 52,9% and to further decline marginally to 52,3 percent below the district average of 53,1% by 2010. This implies that the dependency ratio over the entire period can be regarded as very high. More than half of the people living in Cape Agulhas Municipality can be regarded as either too young or too old to be employed. This places a huge burden on the working-age population of Cape Agulhas and has a strong impact on social grant dependency.

Approximately 6,2% of people above 20 years of age have no school education. An estimated 37.4% of people have no secondary education and only 11.6% have a higher education qualification. The literacy levels in the municipal area are more or less in line with the district profile. Income poverty in Cape Agulhas is relatively low in comparison to the Overberg district average. In 2001 about 6,1% of the households earned no income, in comparison with the 9,7% average in the district. This resulted in Cape Agulhas, having the second lowest proportion of income levels in the district.

1.5 PLANNING PROCESSES

This report addresses the performance of the Municipality in respect of its core legislative obligations and service delivery priorities. A municipality's performance is primarily assessed in terms of its development priorities and the objectives cited in its Integrated Development Plan (IDP).

In light of the above, it is important to understand the planning process followed by the Municipality and the outcomes of such planning processes. The planning processes and the outcome thereof are defined in the IDP.

In terms of the Municipal Systems Act of 2000, the Executive Mayor is responsible for the preparation of the Integrated Development Plan (IDP). The co-ordination of this responsibility was assigned to the IDP co-coordinator and the municipal manager, who reports directly to the Executive Mayor and the Mayoral Committee. The IDP process and the drafting of outputs were co-coordinated internally and mechanisms were put in place to ensure that all stakeholders contribute to the decision-making process.

The review IDP document for 2007/08 has followed the public participation path for new development through engagement sessions with local private and public sector partners and the community. After a procedural plan was approved by the council during August 2006, feedback regarding the projects of the

2006/07 financial year was given during the monthly ward committee meetings and the identification and prioritisation of new projects for the 2007/08 financial year took place. The role-players during these meetings were the different Heads of the municipal departments, the ward committee members and councillors and the community development workers. After the cost calculation of the projects, discussions took place at the Cape Agulhas Advisory Forum.

After the development and finalisation of the draft IDP, it was tabled during the March 2007 council meeting after which it was published for public comment, along with the draft budget for 2007/08.

1.6 MUNICIPAL PRIORITIES AND CHALLENGES

The following challenges and actions were identified by the municipality:

CHALLENGES	ACTIONS TO ADDRESS
Development Planning	
Institutional gearing for delivery – institutional constraints	Capacity building and skills development
Alignment with national, district and provincial programmes	Effective Inter Governmental Relations
Corporate Services	
Filling of posts	Capacity building and skills development
Financial Services	
To manage resources in such a manner that it enhances the sustainability of municipal assets and activities	Sustainable revenue, expenditure and financial services
GRAP implementation	Capacity building and skills development
Community Services	
Objections against low cost housing developments	Public participation and effective communication
Limited municipal resources for bulk infrastructure	Long-term revenue enhancement strategy
Beach erosion in Struisbaai - Limited municipal resources	Long-term revenue enhancement strategy
Civil Engineering Services & Electro Mechanical Engineering Services	
Equal service levels in the whole municipal area focusing on the improvement of the quality of life for	Integrated Human Settlements Provision of clean water, sanitation, refuse removal and solid

CHALLENGES	ACTIONS TO ADDRESS
all inhabitants and visitors	waste management Provision and maintenance of roads, streets, pavements and storm water systems Provision and upgrading of electricity General service delivery in all wards

Table 5: Municipal challenges and actions to address

The following were the priorities of the municipality for the year under review:

- Promoting job creation, economic development and skills development
- Improving infrastructure and service delivery

1.7 GOVERNANCE STRUCTURE

Municipal Councils in South Africa perform both legislative and executive functions. The Council's role focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Executive Mayor and the Mayoral Committee. Council's principle and most substantive role is to publicly debate issues and facilitate political debate and discussion.

The Council receives regular reports on the exercise of executive powers, including quarterly and annual reports on the exercise of delegations and overall performance, from the Executive Mayor and Mayoral Committee. The Executive Mayoral Committee had 11 meetings and the Council had 12 scheduled and 11 special meetings during the year under review.

Section 79 and 80 portfolio committees (please see below) have been constituted. The idea is that the executive and officials are held to account for executive decisions, planning, spending, service delivery, and policy implementation.

The ward committees support the Ward Councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation; and performance feedback to communities.

The Council comprises 10 elected Councillors, made up from 5 Ward Councillors and 5 Proportional Representation (PR) Councillors. The portfolio committees are made up of councilors drawn from all political parties. The party and gender representation in the Council is represented the table below:

Name of Councillor	Capacity	Political Party	Ward/ PR	S 79& 80 committee	Constituency
Richard Mitchell	Executive Mayor	ANC	Proportional Councillor	Community Services, Local Economic Development	-
Dirk Jantjies	Executive Deputy Mayor	ANC	3	Public Works, Community, Services, Finance and Corporate Services, Local Economic Development, Masakhane, Local labour Forum, Housing, Communication	Part of Bredasdorp (Selfbou area, Kleinbegin, Zwelitsha, Kalkoonde area, Volstruiskamp)
Margaret Smal	Member of Mayoral Committee	ANC	2	Public Works, Community, Services, Local Economic, Development, Masakhane, Housing	Part of Bredasdorp, Klipdale, Proteem and surrounding farms
Eve Catherine Marthinus	Speaker	ANC	Proportional Councillor	Finance and Corporate Services, Local Economic Development, Employment Equity, Training and Development, Communication	-
John October	Normal Councillor	ANC	1	Public Works, Finance and Corporate Services, Local Economic Development, Masakhane, Local labour Forum, Housing	Napier, Elim, Haasvlakte and surrounding farms
Johannes Gerhardus Albertus Nieuwoudt	Normal Councillor	DA	4	Finance and Corporate Services, Local Economic Development, Masakhane, Housing	Part of Bredasdorp
Michael Ralph Dennis	Normal Councillor	ANC	5	Community Services, Finance and Corporate Services, Local Economic Development, Masakhane, Employment Equity, Training and Development, Housing, Communication	Aniston, Struisbaai, L'Agulhas, Suiderstrand, Struisbaai and surrounding farms
Dr Johan Adam	Normal	DA	Proportional	Finance and	-

Name of Councillor	Capacity	Political Party	Ward/ PR	S 79& 80 committee	Constituency
Coetzee	Councillor		Councillor	Corporate Services, Local labour Forum	
Tania Thiel	Normal Councillor	DA	Proportional Councillor	Public Works, Community Services	-
Johan Carel Lochner	Normal Councillor	ACDP	Proportional Councillor	Finance and Corporate Services, Employment Equity, Training and Development	-

Table 6: Composition of the Council

During the floor crossing period, 1 councillor, namely, Cllr Richard Mitchell crossed from DA to the ANC.

This changed the composition of the council as follows:

African National Congress	6
Democratic Alliance	3
African Christian Democratic Party	1

1.8 EXECUTIVE MAYORAL COMMITTEE

The Executive Mayor of the Municipality, Councillor Richard Mitchell, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee. The name and portfolio of each Member of the Mayoral Committee is listed in the table below.

Name of member	Portfolio/ Capacity
Richard Mitchell	Executive Mayor
Dirk Jantjies	Deputy Mayor
Margaret Smal	Fulltime Councillor

Table 7: Composition of Mayoral Committee

1.9 SECTION 80 PORTFOLIO COMMITTEES

The portfolio committees' primary responsibility is to exercise oversight over the executive arm of the municipality's governance structure. Section 80 portfolio committees monitor the delivery and outputs of the executive and may request departments to account for the outputs of their functions. Executive

Councillors account for executive decisions and operations performed in general policy framework agreed to by Council and although the portfolio committees play an oversight role, they do not have any decision-making powers. These committees are responsible for submitting reports to Council as the Legislature. The portfolio committees for the 2006/11 Mayoral Term and their Chairpersons are as follow:

Committee	Chairperson	Number of reports submitted to council
Financial and Corporate Services	M Dennis	11
Public Works	D Jantjies	11
Community Services	M Small	11
Local Economic Development	R Mitchell	11
Masakhane	D Jantjies	0
Housing	D Jantjies	0
Training and Development	J Lochner	0

Table 8: Section 80 Portfolio Committees

1.10 SENIOR MANAGEMENT PROFILE

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the Management Team, whose structure is outlined in the table below.

Name of Official	Department
Reynold Stevens	Municipal Manager
Samuel Ngwevu	Director: Corporate Services
Hendrik Schlebusch	Acting Director: Financial Services
Jonathan Marthinus	Director: Community Services
Norwood Kotze	Director: Civil Engineering Services
Piet Everson	Assistant Director: Electro Mechanical Engineering Services

Table 9: Management Team

CHAPTER 2: PERFORMANCE HIGHLIGHTS

2.1 INTRODUCTION

Performance management is a holistic process that incorporates business planning, developing an execution plan, modeling the execution plan using key business metrics and ultimately reporting on the business operations against the execution plan.

In giving effect to this definition, the Municipality has developed and implemented a performance management system, as required by section 152 of the constitution, chapter 6 of the MSA and the MFMA. This is in accordance with the Municipal Systems Act 32 of 2000, and the Local Government: Municipal Planning and the Performance Management Regulations 2001, which require municipalities to adopt a performance management policy framework. Once the IDP and budget have been prepared and approved, the municipality prepares the SDBIP in accordance with the MFMA and MFMA Circular 13. The SDBIP indicates quarterly performance targets, financial performance targets and assigns responsibility to execute the respective performance targets. The municipality assessed its performance on a quarterly basis and reported progress on performance against targets set to Council and will ultimately presents the annual performance in this annual report. Performance contracts in line with the SDBIP and government policy were agreed with each Section 57 manager. Performance was reviewed on at least a 6 monthly basis. A performance management system for all staff was implemented and the performance of all staff was reviewed. The system will be enhanced with the implementation of an electronic system before the end of the second quarter of the new financial year.

2.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

2.2.1 Communication

Regular feedback and communication take place with the community through weekly news and advertisements in local newspapers, monthly notices that accompany municipal accounts, monthly ward committee meetings to provide input for council meetings, quarterly ward meetings and bi-annual Imbizo's in all municipal towns.

During the year under review the communication policy was developed and adopted that addresses strategies, mechanisms and action plans to enhance internal, as well as external communication with all municipal stakeholders.

2.2.2 Participation in IGR structures

The government has a service delivery mandate that ranges from social grants, free basic services, education, policing, and health, which requires a robust intergovernmental engagement between the different spheres, as they share the same communities. The municipality has been involved in the following key structures and engagements to align resources, plans and activities on a district- and provincial level:

- District Intergovernmental Forum – (MM, Executive Mayor and Speaker)
- Premier's Advisory Forum (MM and Executive Mayor)
- Provincial Advisory Forum (MM and Executive Mayor)
- The Local Government MTECH process
- District Intergovernmental Technical Forum (MM)
- Municipal Managers Forum (MM)
- CFO forum (Director: Financial Services as Chief Financial Officer)
- SALGA Forums
- MIG forum
- Cape Agulhas Advisory Forum
- Overberg District Representative IDP Forum
- Soccer 2010 workgroup

2.2.3 Public participation

For reviewing the IDP and drafting the budget for the 2007/8 financial year were completed in the 2006/7 financial year. As this report focuses on the performance of the municipality for the 2007/8 financial year, the public participation processes reported on, mainly focus on the public participation during 2007/8 and therefore the review of the 2008/9 IDP and drafting the 2008/9 budget.

Public Participation during 2006/7 to review IDP for 2007/08

Involving the public, other spheres of government, local authorities, district role-players, specialists and consultants is the key to an integrated development planning process. As mentioned before the review IDP document for 2007/08 has followed the public participation path for new developments through engagement sessions with local private and public sector partners and the community. Feedback regarding the projects of the 2006/07 financial year was given during the monthly ward committee meetings and the identification and prioritisation of new projects for the 2007/08 financial year took place. After

council approval of the draft during the March 2007, the IDP was published for public comment, along with the draft budget for 2007/08. In total 11 ward committee meetings and 8 public meetings were held to public participate the development of the 2007/2008 IDP. In future we will focus more on the farming community

2.2.4 Performance in terms of the National KPA's

The performance of the municipality against the National KPA's can be summarised as follows:

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT
<u>Basic Service Delivery</u>	
(a) The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal	100%
(b) The percentage of households earning less than R1100 per month with access to free basic services	100%
<u>Municipal Institutional development and transformation</u>	
(a) The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	13 of 26
(b) The percentage of a municipality's budget actually spent on implementing its workplace skills plan	1%
<u>Local economic development</u>	
The number of jobs created through municipality's local, economic development initiatives including capital projects	322
<u>Municipal financial viability and management</u>	
Financial viability as expressed by the following ratios:	1 060,64%
Debt coverage (Total operating revenue-operating grants received)/debt service payments due within the year)	
Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	11,70%
Cost coverage (Available cash+ investments)/ Monthly fixed operating expenditure	1 034,55%
<u>Good governance and public participation</u>	
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	53,3%

Table 10: Performance against National KPA's

2.3 BASIC SERVICES DELIVERY

2.3.1 Provision of free basic services

The free basic services with regards to electricity, water, sanitation and refuse removal offered by the municipality during the 2007/08 financial year are summarized in the tables below:

Electricity:

Indigent Households			Non-indigent households			Households in Eskom areas		
Nr of households	Unit per household (kwh)	Value R	Nr of households	Unit per household (kwh)	Value R	Nr of households	Unit per household (kwh)	Value R
1 950 (30%)	50 Kwh	257 400	4 856	50 Kwh	640 992	0	0	0

Table 11: Free basic electricity

The municipality provides 50 Kwh free to all the households that are linked to the grid at a total cost of R 898 392 for the 2007/08 financial year.

Water:

Indigent Households			Non-indigent households		
Number of households	Unit per household (kl)	Value R	Number of households	Unit per household	Value R
1 950 (30%)	6 Kl	822 744	5 136	6 Kl	2 166 981

Table 12: Free basic water

The municipality provides 6 Kl free to all the households that are linked to the grid at a total cost of R 2,989 million for the 2007/08 financial year.

Sanitation and refuse removal:

Indigent Households			Non-indigent households		
Number of households	Unit per household per month	Value R	Number of households	Unit per household per month	Value R
1 950 (30%)	R 170.54 pm	3 172 972	0	0	0

Table 13: Free basic sanitation

1 950 Households received free basic sanitation and refuse removal from the municipality at a total value of R3,173 million for the 2007/08 financial year.

2.3.2 Access to basic municipal services

The following table indicates the number of households that gained access to the different types of basic services during the 2007/08 financial year:

Type of service	2006/07	2007/08
Housing	149	0
Water	149	28
Sanitation	149	36
Refuse removal	149	0
Electricity	2 199	210

Table 14: Access to basic services – 2007/08

2.3.3 Summary of backlogs to be addressed

The municipality is constantly working towards eradicating all backlogs and the table below highlights the current backlogs.

Area	Total nr of households affected	Timeframe to be addressed	Cost to address R'000
Housing	2 904	To be finalized with Provincial Dept. and in accordance with Housing Plan	24 000
Water (on site)	331	5 Years	5 000
Sanitation	331	5 Years	
Refuse removal excluding farms (at least once a week at site)	0	0	0
Electricity (in house)	0	0	0
Streets and storm water	0	0	0

Table 15: Service delivery backlogs

2.3.4 Capital budget spent on municipal services

The percentage (%) of the approved budget spent of each municipal service respectively for the 2006/07 and 2007/08 financial years respectively are as follows:

Financial Year	Housing	Water	Sanitation	Refuse Removal	Electricity	Streets & Storm Water	Community facilities
2006/ 07	31.4	20.7	3.4	2.1	11.9	25.9	4.6
2007/ 08	11.8	6.6	29.5	1.7	12.2	32.5	5.7

Table 16: CAPEX

2.3.5 Spending on capital budget

The under spending of capital budgets were mainly due to slow progress with low cost housing projects and slow Environmental Impact Assessment (EIA) processes . The details regarding the under spending are presented in the table below:

Fin year	% of Capital budget spent	Reasons for under spending
2006/ 07	59.4	Low cost housing projects still in process
2007/ 08	53.3	Low cost housing projects still in process

Table 17: Capital budget spending

2.3.6 Housing

There are currently approximately 2 904 housing units on the waiting list, including the informal settlement areas. A total amount of R 2,587 million was spent to build houses during the financial year under review. Council accepted a policy to control informal squatting and the management of squatter areas. Due to the fact that Council is busy with low cost housing developments, the informal areas grew steadily during the financial year. Currently there is a housing backlog of 2 904 as at the end of June 2008. Council is addressing this backlog with the building of 250 houses in Napier and 870 houses in Bredasdorp, which is in an advanced stage. An approved housing plan exist which details the addressing of the housing backlog. A total of 47 bathrooms were also build in the municipal area to provide the old aged and, the sick and disabled households with access to a bathroom in their existing houses, as they were still making use of external toilets a couple of metres from their houses on their properties. A summary of houses built, includes:

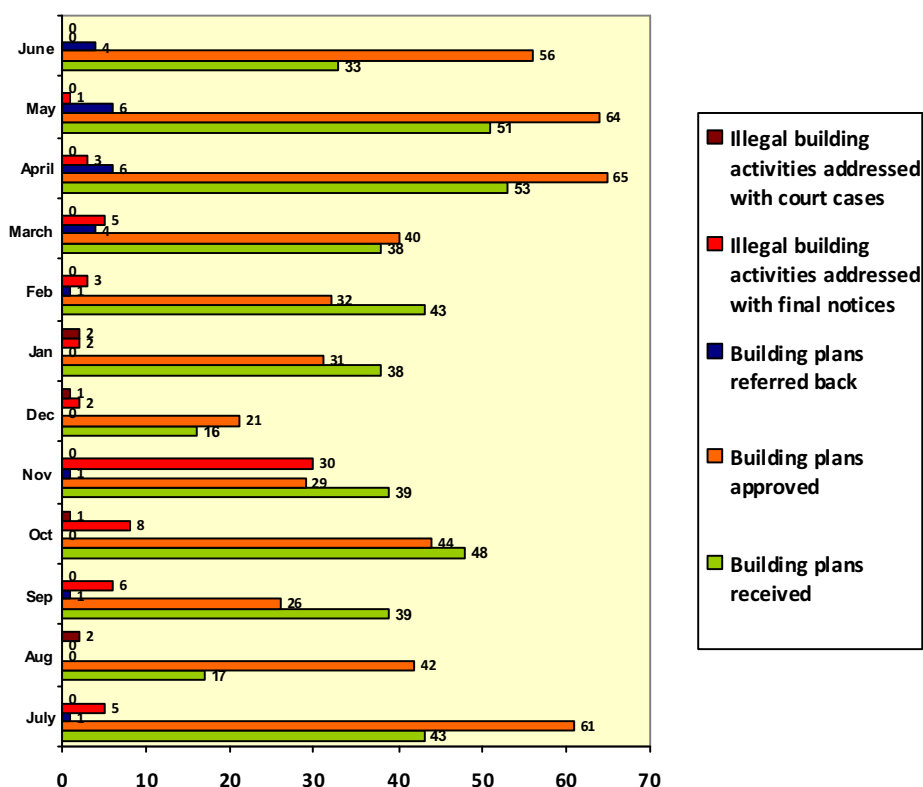
Fin year	Allocation R'000	Amount spent R'000	% spent	Number of houses built	Number of sites served
2006/ 07	7 092	8 261	116	74	73
2007/ 08	4 063	2 587	64	Still in progress	0

Table 18: Housing

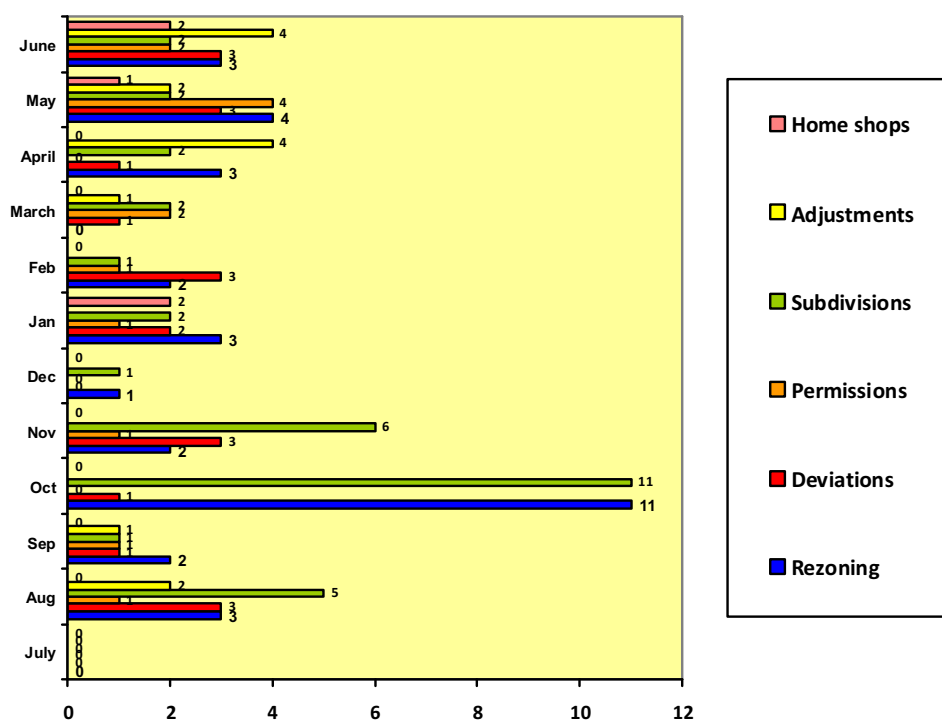
2.3.7 Town planning and building control

During the 2007/08 financial year the municipality received 458 building plans of which 511 (include approval of plans already received end 2006/07) with a value of R 175,9 million were approved. 155 Town planning applications were received and approved for the same period of which 34 were rezoning applications. More details of the various building activities are illustrated in the following graphs:

Building Plans



Town Planning Applications



2.3.8 Municipal infrastructure and other grants

The Municipality received grants totaling R 4,084 million for infrastructure and other capital projects from National and Provincial Government during the 2007/08 financial year. The performance in spending these grants can be summarized as follows:

Municipal Infrastructure Grant (MIG)

Financial year	Available funding 2007/08 R'000	Amount spent R'000	% spent
2006/07	868	868	100
2007/08	1 182	1 182	100

Table 19: MIG

Other Grants for Capital projects

Financial year	Available funding 2007/08 R'000	Amount spent R'000	% spent
2006/07	1 677	978	58
2007/08	2 902	1 702	59

Table 20: Other capital grants

The above-mentioned capital grants received include the subsidy for the main road from the Provincial Government of the Western Cape and funding from the National Government for the sewerage pipelines in Waenhuiskrans and Struisbaai and Spanjaardskloof Water.

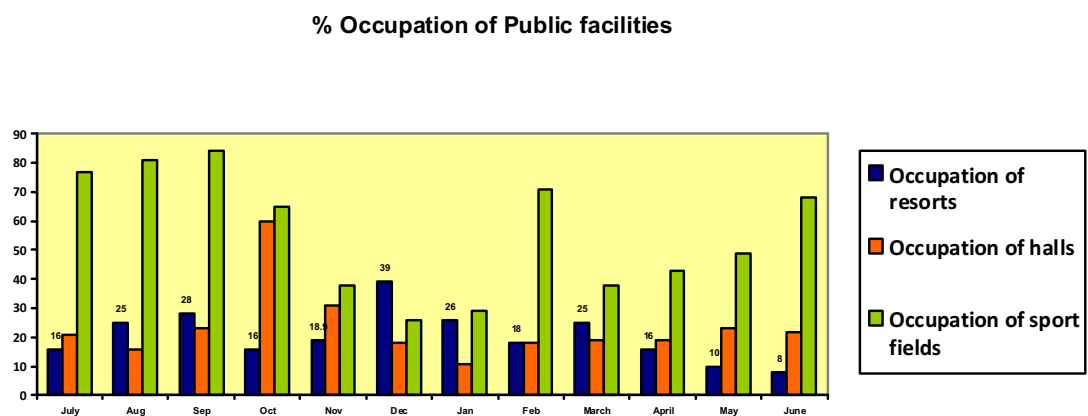
2.3.9 Spending priorities for next financial year with regards to service delivery

The spending priorities for the 2008/09 financial year approved in the budget can be summarised as follows:

Sewerage and Sanitation	R 5.7 million
Streets and storm water	R 8.4 million
Community facilities	R 0.79 million
Refuse removal	R 0,6 million
Water	R 0.75 million
Electricity	R 3.2 million

2.3.10 Occupation of public facilities

The following graph shows the usage of Council's public facilities:



2.4 LOCAL ECONOMIC DEVELOPMENT

In terms of the Constitution of 1996, local government must promote and give priority to economic development of the community. LED planning must inform the IDP and the IDP must serve LED. Cape Agulhas LM has adopted the following view on LED:

- LED is the process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation in pursuit of a better life for all.
- LED is about people working together to achieve sustainable economic growth that brings economic benefits and quality of life improvements for all in the community.

Cape Agulhas also acknowledges the fact that successful private enterprises and productive public private partnerships create wealth in local communities. Private enterprises, however, depend upon favourable local business conditions to achieve prosperity. The role of local government in this regard is to facilitate economic development through the provision of physical infrastructure, establishment of regulatory environment, funding specific anchor initiatives, ensuring public safety and supplying various support services. Some local economic initiatives include:

Support to Agri Mega with the following achievements:

- Elim Dairy – with almost 100 milk cows
- Elim Cows – a company who rent cows to Elim Dairy and community members
- Agricultural Union – facilitated the establishment of the union. The union also supports the distribution of the products of its members
- Training – various training initiatives, including 3 HIV / Aids sessions were facilitated
- Alternative Agriculture – facilitated the establishment of various agricultural projects to enhance sustainable small farming projects.

Support to Cape Agulhas Tourism Bureau with the following LED objectives:

- INDABA 2008 – PDI member Kersgat Guestfarm in Elim was invited to attend at no charge. The owners of Kersgat are also currently undergoing the final stages of the Tourism Outreach Programme organised by CTRU, which empowers emerging entrepreneurs and teaches them about the industry and well as assists them in becoming qualified tour guides.
- Training sessions for members in basic business management were organised by CAT in conjunction with Red Door, and a PDI who CAT is assisting with the setup of his tourism business was sent on a tourism training course facilitated by TEP (Tourism Enterprise Partnership).
- Several tourism projects have been initiated by the bureau, including an exciting joint venture project at the Hotagterklip Huisies in Struisbaai. As negotiations are still underway, not too much can be said about this project except that it will see the creation of a sustainable tourism business

for the local previously disadvantaged community, as well as a new information office at the entrance to Struisbaai.

- The bureau is rapidly expanding its local tourism infrastructure. In the course of the last financial year 20 new members joined CAT.
- The bureau took a decision during the course of the year to encourage previously disadvantaged members of our community to join the bureau by offering discounted membership rates.
- CAT hosted at tourism tent at the annual Agri Mega Week, which saw 15 210 people pass through its gates over 4 days. CAT sponsored space in the tent for local crafters as well as the Shipwreck Museum who were able to sell their arts, crafts and souvenirs to visitors.
- CAT initiated the empowerment project at the historically and culturally famous Hotagterklip huisies in Struisbaai, the craft project will see the promotion of the local culture, the new info office in Arniston will further promote the national heritage site of Kassiesbaai fishing village, and CAT involvement with the Elim Opsienersraad and Heritage committee shows CAT's dedication to the promotion of this historical and culturally fascinating village as a tourist destination. CAT also contributes to the Elim tourism office by paying half the information officer's salary and the office's entire phone account.
- The Bureau's executive committee consists of 9 members (2 of which are municipal) and 3 co-opted members. Of these 12 committee members, 50% are 'previously disadvantaged'.

Financial support to the Tourism Bureau which include the promotion of The Foot of Africa, the Cape Epic and the promotion of network opportunities at the Indaba.

Cape Agulhas Municipality with other municipalities in the Overberg district established a forum to facilitate development in the district. The forum supports developers in being part of the viability studies and with related advice.

Cape Agulhas Municipality therefore takes cognisance of the fact that local government has an essential role to play in creating a favourable environment for business success. In summary it can thus be concluded that LED in Cape Agulhas is a partnership between local government, business and community interests. The Cape Agulhas Municipality must still develop a Local Economic Development Plan through a comprehensive and transparent formulation process. An official in top management is responsible for economic development and implementation, which is challenging due to limited resources and capacity. The number of temporary jobs created by the Municipality during the 2007/2008 budget year amounts to 322.

In the next financial year the municipality finalise its Local Economic Development Policy, support LED initiatives and will continue to work with SANParks on various projects that will develop the local economy

in our municipal area. SANParks projects include Working for water, Working for wetlands, Working for coast and the infrastructure development in Agulhas National Park.

CHAPTER 3: HUMAN RESOURCE AND ORGANISATIONAL MANAGEMENT

3.1 INTRODUCTION

The municipality has an approved establishment of 337 posts of which 88 posts were vacant at the end of June 2008. The employees individually and collectively contribute to the achievement of the municipality's objectives. The Human Resource Management addresses both skills development and an administrative function.

3.2 HUMAN RESOURCE MANAGEMENT

3.2.1 Human resource policies

The following council approved primary HR policies and plans are in place at the municipality:

- Recruitment and selection
- Skills development plan
- Employment equity plan
- Sexual Harassment
- Cell Phone
- HIV/AIDS

3.2.2 Skills development and training

The municipality annually conducts a skills audit, after which a skills development plan is developed to address the skills and competency needs of staff. The Work Place Skills Plan (WPSP) for 2007/08 financial year was submitted to the Local Government Sector Education Training Authority (SETA) on 30 June 2007. The amount spent on training was R 93 306.84, which is 0.33% of the salary spend of R 28 407 725.80 (excluding councillor allowances) as at 30 June 2008. The training programmes that were completed by the municipal staff are summarised in the following table:

Name of training programme	Number of officials							
	Gender		Race					
	Female	Male	AF	AM	CF	CM	WF	WM
Client Services	10	19	1	1	3	12	6	6
Disciplinary and Grievance	6	15			3	9	3	6

Name of training programme	Number of officials							
	Gender		Race					
	Female	Male	AF	AM	CF	CM	WF	WM
Procedure								
Water and Sewerage/ Construction	1	2				1	1	1
Waste Management	1	2			1	2		
Municipal Finance for Engineering		4				3		1
Total	18	42	1	1	7	27	10	14

Table 21: Official training

3.3 ORGANISATIONAL STRUCTURE

22 Employees were recruited in various departments during the 2007/08 financial year. These appointments were based on service delivery needs and the Employment Equity Plan. The Employment Equity Report for 2006/2007 was approved by the Council on 30 October 2007 and the report was submitted to the Department of Labour on 16 September 2007.

3.4 ORGANOGRAM OF THE MUNICIPALITY

The Municipal Manager as the Chief Accounting Officer of the municipality is the head of the administration. He is assisted by his directors, which consists of 5 Departmental Heads.

Management

The Management team is appointed on a fixed term contract period (MSA, s57) and the position of these appointees were as follows:

Portfolio	Name of person	Employment contract in place / Acting	Performance agreements in place
Mr Keith Jordaan (Until 30 June 2008) Mr Reynold Stevens (From 1 Aug 2008)	Municipal Manager	Yes	Yes
Mr Samuel Ngwevu (From 1 Mar 2008)	Director: Corporate Services	Yes	Yes
Mr SW Visser (Until Nov 2007) Mr Hennie Schlebusch (From 1 Feb 2008)	Acting Director: Financial Services	Yes	Yes
Mr Jonathan Marthinus	Director: Community	Yes	Yes

Portfolio	Name of person	Employment contract in place / Acting	Performance agreements in place
	Services		
Mr Norwood Kotze (From Jan 2008)	Director: Civil Engineering Services	Yes	Yes
Mr Piet Everson	Assitant Director: Electro-Mechanical Engineering Services	No	No

Table 22: s57 employees

3.4.1 Approved and vacant posts on post levels

The approved structure for the Administration has 337. The actual positions filled are indicated in the tables below:

PER POST LEVEL		
Post level	Approved	Vacant
MM & MSA section 57	6	2
Middle management	186	55
Admin Officers	2	1
General Workers	137	30
Total	337	88
PER FUNCTIONAL LEVEL		
Functional area	Approved	Vacant
Municipal manager's office	16	7
Corporate Services	47	13
Financial Services	35	10
Community Services	66	10
Civil Engineering Services	147	35
Electro Mechanical Engineering Services	26	13
Total	337	88

Table 23: Approved and vacant post

3.4.2 Details on posts filled

Posts filled									
Occupational categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	1	5	0	10	0	1	0	1	18
Professionals									
Technicians and associate professionals	0	3	0	3	0	1	0	1	8
Clerks	1	10	0	2	1	21	0	17	52
Service and sales workers	0	9	0	3	0	0	0	4	16
Craft and related trades workers	0	12	0	1	0	0	0	0	13
Plant and machine operators and assemblers	3	20	0	2	0	0	0	0	25
Elementary occupations	7	76	0	0	3	30	0	1	117
Total permanent	12	135	0	21	4	53	0	24	249
Non- permanent									
Grand total	12	135	0	21	4	53	0	24	249
Key function (Department)	Male				Female				Total
	A	C	I	W	A	C	I	W	
Municipal manager	0	0	0	2	0	4	0	3	9
Corporate Services	2	9	0	2	0	15	0	6	34
Financial Services	0	8	0	4	0	5	0	7	24
Community Services	1	29	0	6	2	8	0	7	53
Civil Engineering Services	9	79	0	3	2	21	0	1	115
Electro Mechanical Eng. Services	0	10	0	4	0	0	0	0	14
Total permanent	12	135	0	21	4	53	0	24	249
Non- permanent									
Grand total	12	135	0	21	4	53	0	24	249

Table 24: Posts filled

3.4.3 Personnel expenditure compared to total operating expenditure

Financial year	Total Expenditure salary and councilor allowances (R'000)	Total Operating Expenditure (R'000)	Percentage (%)
2005/06	25 918	73 622	35.2
2006/07	28 517	88 401	32.2
2007/08	33 224	91 683	36.2
Average	87 659	253 706	34.5

Table 25: Staff expenditure

3.4.4 Employment equity

The Employment Equity Act dictates that all workplaces promote equity in terms of gender, race and disability. The municipality has an approved employment equity plan that is implemented when all vacant posts are filled. The transformation statistics were as follows at 30 June 2008:

Description	African	Coloured	Indian	White	Male	Female	Disability
Target	55	16	0	56	46	86	14
Actual	16	188	0	45	168	81	0

Table 26: Employment equity statistics

The demographic information of the municipality compared to the workforce of the institution is as follows:

Description	Total	African	Coloured	Indian	White
Population numbers	26 468	1 484	18 212	37	6 734
% Population	100	5.61	68.8	0.1	25.5
Number for positions filled	249	16	188	0	45
% for Positions filled	100	6.4	75.5	0	18.1

Table 27: Employment equity vs population

3.5 PERFORMANCE MANAGEMENT

The municipality measure its performance quarterly and par 2.1 described the processes of performance measurement at the municipality.

The members of the Performance Management Committee are listed below:

Name of Member	Portfolio
Mr Sam Ngwevu	Director: Corporate Services (Chairperson)
Mr André Kok	Member
Ms Monique Weits	Member

Table 28: Performance Committee Members

CHAPTER 4: FUNCTIONAL SERVICE DELIVERY REPORTING

4.1 INTRODUCTION

This chapter deals with how services were delivered during the 2007/8 financial year and indicates the performance against the KPA's for the 2007/8 financial year based on the IDP processes followed as explained in Chapter 1 of this report.

The performance of the Cape Agulhas Municipality is reported against the objectives for each department as indicated in the IDP and the performance agreements of the departmental heads. The chapter also highlights the main KPA's for 2008/9.

Functional breakdown by Department

The functional breakdown of departments is set out below:

Department	Functions
Municipal Manager	Administration, Internal Control, IDP Management
Corporate Services	Traffic and Licensing Services, Libraries, Human Resource Management, Organisational Development, Skills Development, Administration, Labour Relations, Committee Services, Archiving Services, Property Management, Legal Services
Financial Services	Supply Chain Management, Treasury, Expenditure Management, Revenue Management
Community Services	Housing, Public services, which include aspects such as maintenance of public open spaces, beaches, holiday resorts, grave yards, public facilities such as community halls, sport fields and ablution facilities, Town planning and Building control
Civil Engineering Services	Water Management & Planning Sanitation Management & Planning Infrastructure development
Electro Mechanical Engineering Services	All services related to electricity

Table 29: Functional breakdown

4.2 MUNICIPAL MANAGER



Introduction

The Office of the Municipal Manager strives to enhance the relationship between the political and administrative centres of the council, to promote governance mechanisms and innovations in the areas of communication, strategic planning, information and knowledge management.

Performance against KPA's

IDP Objective	Key performance indicator	Target	Actual performance
Good Governance - Integrated Development Plan	Indicating timetable for public participation meetings, submission of draft and approval dates - 100%	31-Aug-07	A Timetable indicating dates for public participation approved at Council meeting of August 2007. Completed and meetings were held accordingly.
	Ward committee meetings, ward meetings and Imbizo to discuss IDP related matters.	Oct - Nov 2007	A total of 8 meetings were held in the respective towns with the community to identify needs. Imbizos were held in all the towns and additional needs were identified. Needs identified were prioritised by ward committees. A CAMAF meeting was held in December with stakeholders of the different sectors to get their input as well as to indicate the priority needs in the communities. A Budget Imbizo was held in 3 towns to inform the public.
	Refer business plans for projects to relevant spheres of government	Mar-08	Projects identified during IDP public Participation sent to Overberg District Municipality. The IDP and budget were forwarded to the relevant Authorities for their consideration.
	IDP submitted and approved within legislative deadlines	May-08	The IDP public participation process was completed within the scheduled dates and approved by council as legally required.
	Action plan for role-out	Jul-07	Tenders for the Socio-Economic Survey closed on 5 November 2007. Seven

IDP Objective	Key performance indicator	Target	Actual performance
			tenders were received and evaluated, but none was awarded due to a lack of funding. Application was made for additional funding from the department. An official informed me telephonically the R200 000 was approved for this task and is to be transferred. Tenders were re-advertised in May but could not be awarded as funds, totaling R200 000, were re-allocated in the 2008-2009 budget thus making it impossible to award the tender and carry out the project.
	Households visited, survey and data capturing completed	Jan-08	The project was Impossible to carry out due to a lack of funding.
	Ward profile published	Mar-08	The project was Impossible to carry out due to a lack of funding.
LED - Local Economic Development Plan	Appointment of LED service provider to prepare Soc. Economic Statistical Database and develop LED plan	28-Feb-08	Finance Application forwarded to Department Local Government & Housing. A term of Reference was drawn up. The Tender for the Socio-economic profiling was not awarded due to lack of funding. The microstructure was amended and provision for a new post of LED officer was provided for. A new LED standing committee was brought into effect.
	Number of Jobs created for unemployed people.	Continuously	Impossible as no LED strategy exists due to lack of funds. No measuring database exists.
	1 x Emerging Business Forum established	28-Jul-07	On 06 August 2007 a structure was established to organise emerging and existing small businesses and to provide a structure to assist people with funding applications. A committee has been elected and they are currently in progress with fundraising efforts to get them operational. An official of council serves within the forum.
LED -Tourism Development	2 x representation on tourism board meetings to provide municipal support and input	Monthly	A Service Level Agreement was signed as legally prescribed in the MFMA. Reports were received as set out in the agreement. Councillors were appointed to serve on Cape Agulhas Tourism committee
Municipal financial viability -Budgeting	Annual budget approved and monitoring of implementation	Monthly	Reports submitted to Council and Department of Finance as legally required. As a result of the retirement of CFO and the lack of capacity within Treasury department, a consultant was appointed to assist until a CFO is appointed. All outstanding reports were completed and submitted as required.
	Submit draft service delivery and budget implementation plan	14 days after approval of budget	The SDBIP for 2008/2009 was completed which is aligned with IDP and Budget and was submitted to the Mayor for approval on the 27 June 2008. A Council workshop is to be scheduled to

IDP Objective	Key performance indicator	Target	Actual performance
			set weighting, targets and baselines so that performance contracting can be done.
	Submit to the mayor a statement of the municipality's budget	10 working days after month-end	A report is submitted monthly to Council of actual versus budget income and expenditure.
Municipal financial viability - Revenue Enhancement	Identification of additional sources to strengthen own revenue	Continuously	Application for financing LED and Socio-economic profile, R200 000 to be provided by Western Cape: Department Local Government & Housing. Developmental proposals for erf 1148 were requested and the evaluation thereof was completed. The final process of contracting with the preferred bidder is currently been done.
	Approval and submission of risk-based audit plan	Aug-07	Due to shortage of office space and space used by OAG, delayed. Internal audit conducted as per audit plan, awaiting report. A risk based audit plan was completed and approved by Municipal Manager and submitted to Council
Municipal financial viability -Auditing	Internal auditors appointed and fully functional - executing audit plan	Aug-07	The Internal audit was conducted as per audit plan; the weaknesses as reported were addressed. A meeting of the Audit committee was held to discuss the findings of the Internal report.
	Confirmation that ad-hoc internal auditing and investigative instructions are finalised and report issued within 30 working days.	Continuously	No new ad-hoc internal auditing tasks were required.
Institutional development and transformation - Performance Management	Implement a performance management system to include all staff levels	Jul-07	Career development contracts were completed for all employees. A trial evaluation process for all employees with fishbowl sessions was held. All staff received the necessary training in performance reviewing.
	Submit annual performance agreement of MM and section 57 managers to mayor 14 days after approval of budget	Annually	Agreements have to be concluded once SDBIP has been approved by the Mayor. Where after the contracting of all employees is to be followed/completed
	Quarterly assessment of SDBIP to confirm compliance with budget and municipal strategy	Quarterly	Quarterly assessments were completed for each review period. The financial review was done monthly with financial reporting to Council.
	2 x Performance review reports to Council on staff performance for incentive purposes	Bi-annually	Comprehensive training of all staff was done. An interim review exercise of all staff was carried out, with good buy-in from all staff. Council approved a performance reward policy in June 2008. A full review of all employees is to be carried out with a final performance review in July 2008. This the final review for the contracted year.

IDP Objective	Key performance indicator	Target	Actual performance
	Submit Performance Report for first 6 months of the financial year to the Municipal Manager	20-Jan-08	Incorporated in SDBIP quarterly reports to Council.
Good Governance - Annual Report	Within nine months after the end of the financial year	Mar-08	An annual report as required was compiled and submitted by the Mayor for approval by Council. The report was printed and forward to all authorities for their consideration as legally required.
Basic service delivery - SDBIP 2008/9	Submit SDBIP within 14 days after budget approval to mayor	Jun-08	The SDBIP for 2008/2009 was completed which is aligned with IDP and Budget and was submitted to the Mayor for approval on the 27 June 2008
Good Governance - Communication strategy	Compilation and implementation of a internal and external Communication Strategy and Plan	01-Aug-07	A communication plan/strategy was compiled and accepted by council. Imbizos, IDP and monthly ward committee meeting with community were held as set out in the communication plan.
Institutional development and transformation Shared Services	Capacity needs assessment 100% completed	01-Sep-07	Terms of reference to investigate the need, nature and establishment of a shared service solution in improving the capacity within the Overberg region. To analyse the need of Cape Agulhas municipality and to address its support service requirements. Tenders were placed by ODM but were however never awarded as Province withdrew the funding for the project.
Institutional development and transformation - Human Resources	Monitor continuous human resource development and capacitating of staff	Monthly	This task was not fully addressed due the vacancy of the Head of Human resources and the lack of internal capacity. However various training sessions were held e.g. client services, disciplinary action, performance management etc. The Macro-microstructure was revised. The disparity exercise of staff was completed and approved by council. Council approved a remuneration policy for performance rewards to all staff.

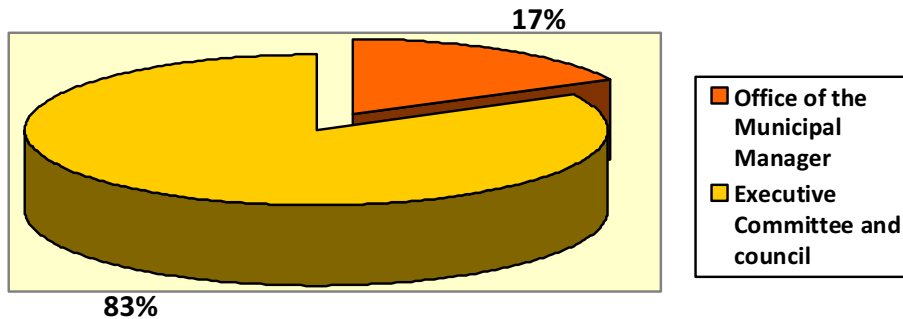
Table 30: Performance against KPA's: Municipal manager

Main Delivery Agenda 2008/09

Key performance indicator	Target
Development, implementation and Monitoring of an effective communication system	100% effective system
Sustainable management of IGR over a wide spectrum in order to enhance integrated development planning	100% of attendance by applicable senior managers
Managing of effective performance management system	Quarterly reports to council
Auditing of Performance Management of the different Departments.	All departments audited
Managing the drafting and review process of the IDP	Revised IDP

Table 31: Main delivery agenda 2008/09: Municipal manager

Total expenditure 2007/08



4.3 CORPORATE SERVICES



Introduction

The department's primary focus is mainly directed to internal resources, systems and support processes of the organization, but is also responsible for libraries and a full committee service

Performance against KPA's

IDP Objective	Key performance indicator	Target	Actual performance
Basic service delivery -Traffic and Licensing Services	Develop permanent new facilities for testing of drivers licenses.	March 08	Council decision for new tenders, closed on 6 May 08.
	To spend a maximum of 45 min [handling time] per vehicle but within the framework of SABS Practice Code 0216 when opened.	Continuous	Achieved most of the time
	Ensure Law enforcement by: Visible law enforcement	Continuous	Task schedules were implemented and tasks are

IDP Objective	Key performance indicator	Target	Actual performance
	Improved road signs and road markings to decrease accidents.		given on daily basis with selective law enforcement. Tender was awarded for road signs and markings
	Implement a system for appointments to be made for vehicle testing by September 08	Sep 08	System was tested, but not practical to execute. Only agencies get the benefits and not the general public
	Training of at least one additional traffic official to do drivers licenses.	March 08	Not one on the current officials qualifies according to the criteria. They were given notice to get the qualifications by May 2008
	Implement a system for appointments for licensing to reduce waiting period to two months	Aug-07	Time schedules were rescheduled Appointments per day were doubled. Two days for learners licenses, oral testing for Fridays. The waiting period was reduced to one month.
	Implementation and monitoring of seasonal law enforcement	Des/April	Nine additional officials were trained and appointed in Dec
	1 Educational program at schools	Jun	School patrols were implemented Educational sessions and issuing of certificates to learners took place
Basic service delivery -Library Services			
	Expansion of library service to Proteem (Wheely wagon)	June 2008	The Wheely wagon is in place with the books but still waiting for space at the old school buildings. The date when the old school will be vacated is unknown. Staff has not yet been recruited but there are names of people who could be utilised when the time comes
	Implementation of longer hours at Napier, Nuwerus, and Waenhuiskrans	1 Julie 2007	Achieved
	Two-weekly exhibitions in 6 libraries	Two-weekly	Achieved
Good Governance - Committee Services	Timely compilation and distribution of Agendas and minutes for all Council, Committee and other meetings of the Council and its Committees within 72 hours prior to the meeting	Monthly	Achieved
	The compilation and submission of Council resolutions to the Municipal Manager within 7 days after the meeting.	Monthly	Achieved
	To provide committee services support to ward committees	Monthly	Achieved
	Development of meeting schedule that can be advertised by January annually	Dec 07	Achieved
Institutional development and transformation - Archiving Services	Development of implementation plan and appointment of service provider to implement new "Electronic Records Management System".	Nov 07	Tender awarded. Hardware was delivered and training took place during May 2008
	Implementation and Training for Councilors and Employees in the "New Electronic Record Management system" 2 month after implementation	2 month after implementation	Achieved

IDP Objective	Key performance indicator	Target	Actual performance
Good Governance - Communication	To investigate possible upgrading of current telephone system	Sep 07	Contract completed. Hardware installed, waiting for TELKOM software from abroad
	After hours telephone enquiry system to community	Continuous	Achieved
Institutional development and transformation - Legal Services Municipal financial viability - Property Management	Updating of municipal code within 1 week after receipt of adjustments	Continuous	Slow progress due to slow filling of posts
	Compilation of asset register en continuous updating	31 Des 07	Slow progress due to slow filling of posts
	Compliance with Property Rating ACT to be ready for implementation on 1/7/2009	Jun 08	Tender awarded, general valuation started in Jan 08.
	Alienated property of council to be handed over to attorneys within 10 working days for transfer	100%	Not always achieved, due to difficulties experienced with the availability of title deeds
	Approve and Implementation of a Disaster Management Plan in line with ODM	Dec-07	Approved by council
Institutional development and transformation - Administration	% spending of operating budget	Monthly	Achieved
	% spending of capital budget	Monthly	Achieved
	% spending of individual projects	Monthly	Achieved
	Updating of information as per legislation	Monthly	Achieved
	Strategic sessions	Annually	Coordinated by council
	Communication of council matters	Monthly	Achieved
	Monitor continuous human resource development and capacitating of staff	Continuous	Achieved
Institutional development and transformation to develop policies and procedures for management, administration and implementation of occupational risk legislation and practices to create safe and productive work environment	Policy and procedure with regard to occupational risk management and safety available.	30/06/2008	Policy is revised continuously in line with new legislation
	Employee assistance programmes (EAP) available	31/12/2008	Not achieved
	Occupational safety representatives appointed for all departments.	31/12/2007	Safety committee to investigate and implement
	Policy and procedures for HIV/AIDS available.	30/6/2008	Already available
	Legislation re occupational injuries and safety available for line managers.	30/06/2008	Policy is revised continuously in line with new legislation
Institutional development and transformation – to develop policy, procedures and strategies for the training en development of all employees as well as the implementation of relevant legislation.	Policies and procedures as well as training and development strategies available	30/06/2008	Completed
	Skills audit of all personnel available	31/12/2007	Completed and revised continuously in line with training programmes
	Occupation development plan available for all personnel.	30/02/2008	Not achieved
	Prospectus of training projects and programmes available.	30/06/2008	Quotations asked
	Workplace Skills Plan available.	30/06/2007	Completed
Institutional development and transformation - to develop policy, procedures and strategies for the enhancement of positive labour	Policy, procedures and strategies available	30/06/2008	Addressed in training plan
	Line managers trained in the handling of grievances.	30/06/2008	Addressed in training plan
	Line managers trained in the handling of disciplinary investigations.	30/06/2008	Addressed in training plan
	Policy, procedures and strategies available for the handling of poor work	30/6/2008	Addressed in training plan

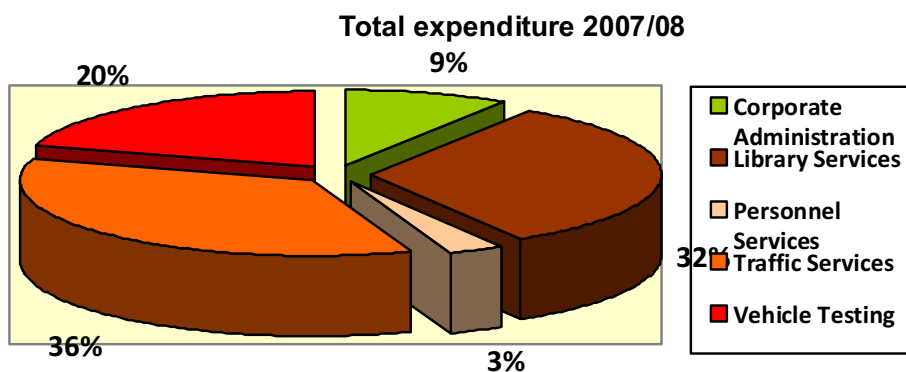
IDP Objective	Key performance indicator	Target	Actual performance
relations in the organisation.	performance.		
	Policy, procedures and strategies available for weak health cases.	30/6/2008	Addressed in training plan
	Policy, procedures and strategies available for conflict in the work place.	31/12/2008	Addressed in training plan
	Policy, procedures and strategies available for strikes.	31/03/2008	Addressed in training plan
	Strike handling committee constituted	31/12/2007	Already constituted and revised when needed
	Policy, procedures and strategies available for the handling of gender and disability discrimination.	30/6/2008	Completed
Institutional development and transformation – To develop business processes to ensure effective personnel administration	Standard appointment/ service contracts available.	31/12/2007	Completed
	Job descriptions for all posts on macro and micro organizational structure.	30/06/2008	In process and development as appointments take place
Institutional development and transformation – To develop policy and procedures that establishes a fair business process for the filling of vacant posts	Policy and procedures available for the filling of vacant posts.	30/09/2007	Completed and being implemented
	EE plan available	30/06/2008	Completed and submitted.
	Standardised interim post requirements/post families available.	30/06/2008	None, waiting for SALGA / TASK standardisation
Institutional development and transformation – To provided strategic advice to the council and management re HR management	Macro and micro organization structure approved.	30/09/2007	Completed and approved
	Macro and micro organization structure available electronically.	30/06/2008	In process
	Individual personnel performance management system available.	30/06/2008	In process

Table 32: Performance against KPA's: Corporate Services

Main Delivery Agenda 2008/09

Key performance indicator	Target
Revision of annual key performance indicators for all Corporate Employees	Completion by September 2008
Disciplinary actions to be completed within 40 days	95 % of cases
Reduction of stock (books videos CDs etc) losses	Reduce to 0.4%
Growth in membership	5% Growth

Table 33: Main Delivery Agenda 2008/09: Corporate Services



4.4 FINANCIAL SERVICES



Introduction

The Department is responsible for the development of the financial strategy and overall financial management. This Department is also responsible for ensuring financial balance in the municipality, compliance with relevant legislation, regulations, and governance practices and finally ensuring the implementation of the Financial Management Act (MFMA)

Performance against KPA's

IDP Objective	Key performance indicator	Target	Actual performance
Municipal financial viability - Effective revenue raising	Maintain high recovery rate	Monthly	Achieved, average 104.09%
	Information sessions in each town	Bi- annually	Achieved
	Implementation of indigent policy	Continuous	Achieved
	Monitoring of revenue received against money banked	Continuous	Achieved
	Input with regard to conditional grants	Continuous	Achieved

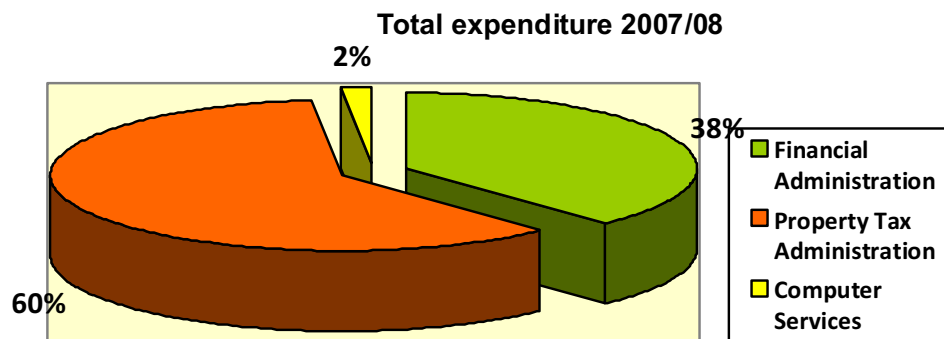
IDP Objective	Key performance indicator	Target	Actual performance
	Investigate possible revenue sources outside of government	Continuous	Not achieved yet
	Implement valuation register	Annually	Achieved
	Monthly levying of consumer services	Monthly	Achieved
Municipal financial viability - Insurance	Annual updating of portfolio	Annually	Achieved
	Completion of insurance claims	Continuous	Achieved
Municipal financial viability - Management of expenditure	100% of creditors paid within 30 days	Monthly	Achieved
	Daily monitoring of approved budget	Continuous	Achieved
Municipal financial viability - Balancing of control registers	Monthly balancing within 5 working days	Monthly	Achieved
Municipal financial viability - Supply chain management	Compliance with policy and legislation	Continuous	Achieved
Municipal financial viability - Budget	Approval of process plan within 2 months	31-Aug-07	Achieved
	Budget approved	31-May-08	Achieved
Good governance - Financial statements	Completion within legislative timeframe	25-Aug-07	Achieved, clean audit report
Good governance - Asset management	Asset policy	28-Feb-08	Implementation extended by National Treasury
	Updating of asset registers every 6 months	Continuous	Achieved
Good governance - Policy documents	Developing, revising and approval of policies	28-Feb-08	Achieved
Good governance Submitting of reports and questionnaires	All financial reports by the 10 th working day of each month	Monthly	Achieved
Municipal financial viability - GAMAP/ GRAP	GRAP implemented	June 08	Implementation extended by National Treasury
Institutional development and transformation -HR development and support	Strategic sessions	Annually	Coordinated by council
	Communication of council matters	Monthly	Achieved
	Monitor continuous human resource development and capacitating of staff	Continuous	Achieved

Table 34: Performance against KPA's: Financial Services

Main Delivery Agenda 2008/09

Key performance indicator	Target
Updated asset register annually	100 % New Assets recorded in Asset Register
Closure of books and compilation of financial statements	Closing of books and compilation of financial statements completed by 31/08
Completion of draft and final budgets	Completion of Draft and final budgets on 20th of March
Execution of credit control procedures as per approved policy	100% compliance with policy
Timeous payment of invoices and utilisation of discounts	Payment within 30 days from date of invoice/statement

Table 35: Main Delivery Agenda 2008/09: Financial Services



4.5 COMMUNITY SERVICES



Introduction

The Department is responsible for Housing, Public services, which include aspects such as maintenance of public open spaces, beaches, holiday resorts, grave yards, public facilities such as community halls, sport fields and ablution facilities, Town planning and Building control

Performance against KPA's

IDP Objective	Key performance indicator	Target	Actual performance
Basic service delivery - Housing	Submitting of business plan for 300 houses for Zwelisha	31-Aug-07	Achieved
	Relocation of squatters	June 2008	Waiting for LUPO approval.
	Submitting of business plan for 250 houses for Napier	30-Sep-07	Achieved
	Initiate WHK housing project process	01-Sep-07	Handled by Housing Implementation Agent
	Squatter policy	Aug-07	Achieved
	Improved law enforcement re squatters	weekly	Achieved
	Completion of EEDBS re 321 applications	30 June 08	Achieved
	Limit growth of squatter camp	Weekly	Continuous, but hampered by overnight squatting
	Monitoring of RoD re low cost social housing project	Continuous	Houses are built by external agency
	Compile tender and appointment of housing implementation agent	30 October 2007	Compiled tender, but will not be placed until current Consultant finalized processes
Basic service delivery - Town Planning	Considering of all applications	Monthly	Achieved
	Proactive addressing of al illegal activities	Monthly	Achieved
	Updating and approval of new scheme regulations	March 08	Achieved
	Completion of ROR	30 April 08	New process after May 08, budget limitations
	Approval of building plans	2X pm	Achieved
	Addressing of illegal building activities/ advertisements by means of law enforcement	Daily	Notices are served to offenders
	Inspections and issuing of certificates	Continuous	Achieved
Basic service delivery - Building of bathrooms	Approval of MEC	31 July 07	Achieved
	Identification of beneficiaries	31 July 2007	Achieved
	Advertising and awarding of tenders	30 August 2007	Achieved
	Completion	Feb 08	47 completed
Basic service delivery - Public services	Maintenance of resorts	Daily	Achieved
	Improved marketing of resorts	Monthly	Not achieved yet
	Establishment of CAM sport body	30-Sep	Achieved
	Monthly meetings	Monthly	Achieved
	Obtaining of funds to develop soccer fields	Continuous	In process with Province
	Provision of land for small farmers within framework	Continuous	1500 hectares allocated Process ongoing
	Optimal maintenance of facilities	Continuous	Achieved
	Improve accessibility for	Continuous	Achieved

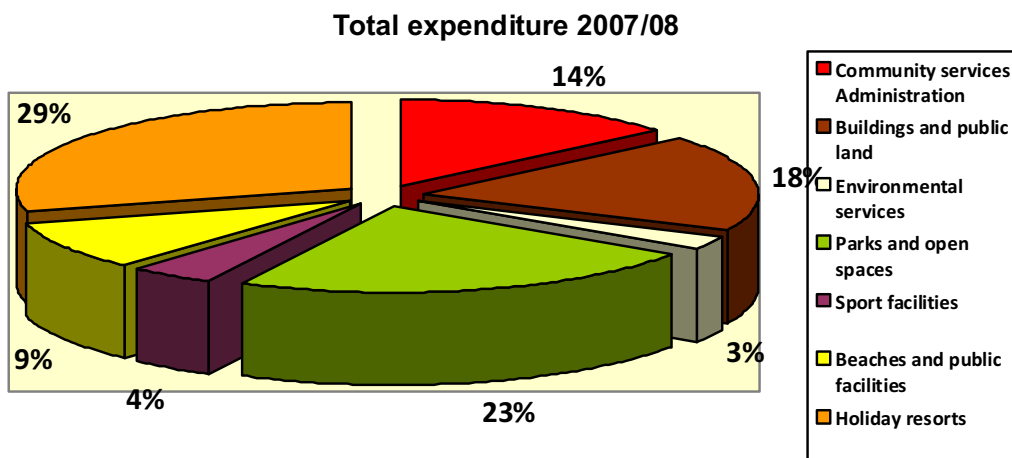
IDP Objective	Key performance indicator	Target	Actual performance
	disabled people to municipal buildings		
	Maintenance of public spaces	Continuous	Achieved
	Handling of complaints re pavements	Within 14 days	Achieved
	Effective animal control	Monthly	Achieved
	Appointment of consultant for beach erosion	31-Aug-07	Achieved
	Approval of implementation plan and completion of project re beach erosion	Feb 08	Completed
Institutional development and transformation - Administration	Monitoring of complaints system	Continuous	Achieved
	Handling of complaints	Continuous	Achieved
	Monitor % spending of operating budget	Monthly	Achieved
	Monitor % spending of capital budget	Monthly	Achieved
	Monitor % spending of individual projects	Monthly	Achieved
	Monitor continuous human resource development and capacitating of staff	Monthly	Achieved
	Maintaining sound labour relations	Monthly	Achieved
	Creation of safe working environment with regular inspections and reports	Monthly	Achieved
	Strategic sessions	Annually	Coordinated by council
	Communication of council matters	Monthly	Achieved
	Completion of council decisions within 30 days	Continuous	80% achieved
	Implementation of upliftment projects to improve quality of living for communities	Continuous	Not achieved, post for development official must still be filled
	Development of social development plan	December 07	Appointment of official awaited
	Applications for funding to implement projects	Continuous	Not achieved, post for development official must still be filled

Table 36: Performance against KPA's: Community Services

Main Delivery Agenda 2008/09

Key performance indicator	Target
Building of low cost houses - Napier	250
Resettlement of informal households - Napier	100
Building of low cost houses (UISP) - Bredasdorp	390
building of low cost houses (PLS) - Bredasdorp	480
Completed low cost housing planning process for WHK	June 08

Table 37: Main Delivery Agenda 2008/09: Community Services



4.6 CIVIL ENGINEERING SERVICES



Introduction

The Department is responsible for all civil engineering services, infrastructure development, sanitation and water provision and waste management

Performance against KPA's

IDP Objective	Key performance indicator	Target	Actual performance
Basic service delivery - Solid waste management	Collection of solid waste	Weekly	Achieved
	Purchasing of press	Feb-08	Achieved
	Fencing of site at Napier	14 December 07	80% Achieved
	Monthly inspection reports	Monthly	Achieved
	Cleaning of public open spaces and areas around	Quarterly	Achieved

IDP Objective	Key performance indicator	Target	Actual performance
	landfill sites		
	Purchasing of safety equipment	31 Dec 07	Achieved
Basic service delivery - Graveling of access road	Struisbaai	30-Nov-07	Achieved
Basic service delivery - Waste water management	Effective management of sewerage works	Continuous	Achieved
	Fencing of plant at Napier	Dec 2007	Not achieved, funds reallocated
	Service of 4 pump stations	June 2008	Achieved
	Cleaning of dam at Bredasdorp, safety and repairs	June 2008	No funding available
	Building of sewerage tank at Klipdale	Nov-07	In process
	WSDP completed	Feb-08	In process
	Development of partial sewerage network for Waenhuiskrans	30 Jun 08	Tender awarded
	Development of partial sewerage network for Struisbaai	30 Jun 08	EIA process not completed
Basic service delivery - Water Services	Updating of IMQS and annual ground water samples monthly	June 2008	Insufficient funds
	Fencing of 5 bore holes and upgrading of 3 pump stations.	June 2008	Insufficient funds
	Monthly meter readings and monitoring of water tables	Weekly	Achieved
	Monitor reservoir levels	Daily	Achieved
	Replace 30 taps, maintenance of water network, service of pump stations	Continuous	Achieved
	Repair pipes within 12 hours after reporting	Continuous	Achieved
	Repairs roads within 10 working days after damage	Continuous	Achieved most of the time
	Water pipe line to WHK to address shortages during season	Aug-07	Achieved
	Implement credit control	Monthly	Achieved
	Mid block water line jacaranda Street Bredasdorp moved	Apr-08	Tender awarded
	1 borehole and equipment for additional water in Napier place	Jan-08	Completed, only needs electricity
	1 borehole and equipment for Suiderstrand	Dec-07	Achieved
	Borehole 7, Struisbaai, pumps and pipeline provision	Jan-08	To 2008/09
	Borehole 10 and 11, Struisbaai, pumps and pipeline provision	Jan-08	To 2008/09
	Geo- hydraulic investigation for Klipdale	Dec-07	Achieved
Basic service delivery - Roads	Upgrading of IMQS for storm water	31 March 2008	Achieved
	Signage	31 March 2008	Achieved
	Flushing and monitoring of pipes to avoid blockages	Bi annually	Achieved

IDP Objective	Key performance indicator	Target	Actual performance
	Storm water management system for Kleinbegin, Bredasdorp	31 March 08	Achieved
	Storm water for Selfbou area upgraded	Jan-08	Achieved
	Storm water Wessel street, L'Agulhas & Sonkil street upgraded	31 March 08	Achieved
	Ford street Napier tarred	28 Feb 08	Achieved
	Sealy street Bredasdorp tarred	31 Jan 08	Achieved
	Resealing of various roads	31 March 08	Achieved
	Pavements in ward 2 , Bredasdorp upgraded	28-Feb-08	Achieved
	Bridge Baadjie street, Bredasdorp built	28-Feb-08	Cancelled
	Pavements in Sarel Cilliers street, Napier upgraded	31-March-08	Achieved
	Dirkie Uys street, Bredasdorp tarred	31-Oct-07	Achieved
	Scraping of all gravel roads every three months	Every three months	Achieved
	Repair of potholes within 1 week after report	31 March 2008	Achieved
Institutional development and transformation - Administration	Regular inputs re feedback from community and maintenance of statistics	Continuous	Achieved
	Painting of offices and maintenance as per budget	30 Jun '08	Achieved
	Maintaining of statistics and submitting of reports as requested	Monthly	Achieved
	Strategic sessions	Annually	Coordinated by council
	Communication of council matters	Monthly	Achieved
	Monitor continuous human resource development and capacitating of staff	Continuous	Achieved

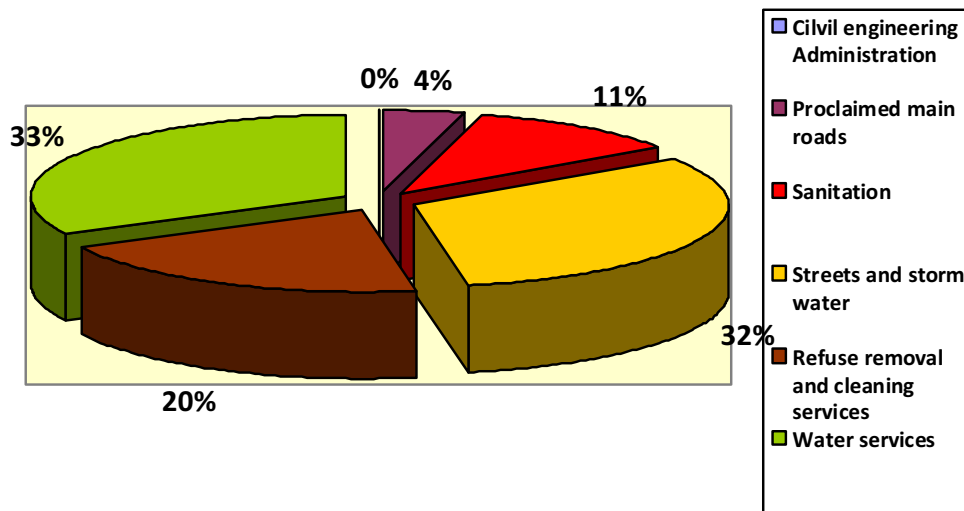
Table 38: Performance against KPA's: Civil Engineering Services

Main Delivery Agenda 2008/09

Key performance indicator	Target
Storm water Kleinbegin Bredasdorp	100% of budget spent
Reseal all roads in all towns	100% of budget spent
Pavements: Sarel Cilliers street Napier	100% of budget spent
Tarring of Goodshed street Bredasdorp	100% of budget spent
Tarring behind –Long street Bredasdorp	100% of budget spent
Tarring Nepgen street Napier	100% of budget spent
Tarring Smythe street Napier	100% of budget spent
Tarring streets Struisbaai-North	100% of budget spent
Storm water Protea inter section Struisbaai	100% of budget spent
Storm water according to master plan L'Agulhas	100% of budget spent
Pavements Kamp street Waenhuiskrans	100% of budget spent
Tarring Huxham street Waenhuiskrans	100% of budget spent
Tarring access road Klipdale	100% of budget spent
Storm water Klipdale	100% of budget spent

Table 39: Main Delivery Agenda 2008/09: Civil Engineering Services

Total expenditure 2007/08



4.7 ELECTRO MECHANICAL ENGINEERING SERVICES



Introduction

The Department is responsible for all electro technical services, including electrical infrastructure development.

Performance against KPA's

IDP Objective	Key performance indicator	Target	Actual performance
Basic service delivery - Quotation for new connection	Provide quotations for new connections within 10 days if within existing network and within 30 days for extension of network	Continuous	Achieved
Basic service delivery -	Provide connection within 14	Continuous	80% of connections are

IDP Objective	Key performance indicator	Target	Actual performance
New connections	days to existing network and within 30 days for low voltage and within 60 days for high voltage where extension to existing network is needed		finalized within 14 days. If crossing of road is needed , it depends on the availability of the digger
Basic service delivery - Provision of electricity	Provided trustworthy service to inhabitants	Continuous	Achieved
	Installation of internal electrical network in Suiderstrand	30-Nov-07	Completed
Basic service delivery - Power failures	Power failures are repaired within: 30% within 1.5 hours 60% within 3.5 hours 90% within 7.5 hours 98% within 24 hours	Continuous	Achieved
Basic service delivery - Electricity losses	Limit electricity losses to <8%	Continuous	Continuous
	Pre paid meters are tested and replaced. Bulk meters are read on a monthly basis	Monthly	Continuous
	Monthly credit control in terms of policy	Monthly	Achieved
	Manage connections of new inhabitants of houses	Daily	Achieved
Basic service delivery - Inspections and maintenance	Inspection ,testing and maintenance according to schedule to detect and repair problems timeously	Monthly	Not achieved, due to personnel shortage
	Testing of pre paid meters for accuracy	Quarterly	Not achieved, due to personnel shortage
	Maintain all electrical distribution machinery and mechanical equipment and vehicles in optimal condition.	Continuous	Achieved
	Monitor and record performance of electrical machinery and equipment and mechanical equipment and vehicles.	Monthly	Not achieved
	Inspect, test and record the condition of electrical distribution machinery and safety equipment as required by the Occupational Health and Safety Act and best practice.	Continuous	Not achieved
Basic service delivery - Upgrading	Upgrading of the Struisbaai transformers	June 2008	Completed
	Upgrading of electrical network in Melvern lane, Struisbaai	June 2008	New line was built from 66kV sub to Argonautasub.
	Replace overhead conductors in Waenhuiskrans with underground cable	June 2008	Four way switch was installed in Hoofweg. 40% completed
	Upgrading of electrical network and street lighting in Napier	April 08	25 New street lights installed. Work completed
	Upgrading of electrical network in Bredasdorp	Dec 2007	Completed

IDP Objective	Key performance indicator	Target	Actual performance
Basic service delivery - New street lights	Investigate street lights situation to eliminate dark areas	Quarterly	Continuous
Basic service delivery - TV Conductor stations	Complaints re TV stations in Bredasdorp Struisbaai and Napier are repaired within 8 hours	Continuous	Achieved
Basic service delivery - Two way radios	Conductor stations for two way radio communication are repaired within 24 hours	Continuous	Addressed within an average of one week
Basic service delivery - Electricity provision with regard to boreholes, sewerage and water provision	Complains are addressed within 8 hours	Continuous	Achieved
Institutional development and transformation - Training and development of personnel	Capacity building of personnel and implementation of training programme	Continuous	Achieved
	Strategic sessions with regard to SDBIP, budget and IDP	Annually	Achieved
	Communication with regard to council aspects and work related issues on a monthly basis	Monthly	Achieved
Institutional development and transformation - Application of legislation	The health and Safety Act and other legislation are adhered to on a continuous basis	Continuous	Achieved
Institutional development and transformation - Management information	Maintaining of statistical information and submitting of all reports as required	Monthly	Achieved

Table 40: Performance against KPA's: Electro Mechanical Engineering Services

Main Delivery Agenda 2008/09

Key performance indicator	Target
Installation of standby generator, main building Bredasdorp	100% of budget spent
Third supply from Nooitgedacht sub to P & B lime works and substation no 1 Bredasdorp	100% of budget spent
Install new main breaker in substation no 1 Bredasdorp	100% of budget spent
Replace overhead conductor with cable from Argonauta park sub to Protea way switch Struisbaai	100% of budget spent
Replace overhead lines in Agulhas with cable	100% of budget spent
Install new three way switch at Camphill street Agulhas	100% of budget spent
Rebuild and move overhead line from Krag street to Swart street Napier	100% of budget spent
Relocate and rebuilt overhead line to sewerage pumps in Napier	100% of budget spent
Replace overhead lines with cable in Waenhuiskrans	100% of budget spent
Install Flood lights at rugby club in Waenhuiskrans	100% of budget spent
Install streetlights where dark and dangerous spots are identified	100% of budget spent
Renew radio repeater stations	100% of budget spent
Renew truck for High-up Struisbaai	100% of budget spent

Table 41: Main Delivery Agenda 2008/09: Electro Mechanical Engineering Services

CHAPTER 5: FINANCIAL PERFORMANCE

5.1 FINANCIAL OVERVIEW

One of the goals of the municipality is to provide equal service levels in the whole municipal area to improve the quality of life for all inhabitants and visitors. In order to reach this goal the municipality must ensure its long-term financial viability by optimizing our revenue raising capacity to generate the necessary capital needed, continuously improve financial management of our available resources and compile credible budgets.

We ended the past financial year in a healthy financial position to meet our current commitments. Outstanding debtors which form part of current assets only accounts for 11,01%, which is way below national norms.

For the year under review we've ended with a net surplus of R8,9million which will be carried over for expenditure to the 2008/09 financial year. The municipality also received an unqualified report from the Auditor-General that indicates that the municipality maintains effective financial administration.

5.2 FINANCIAL STATUS

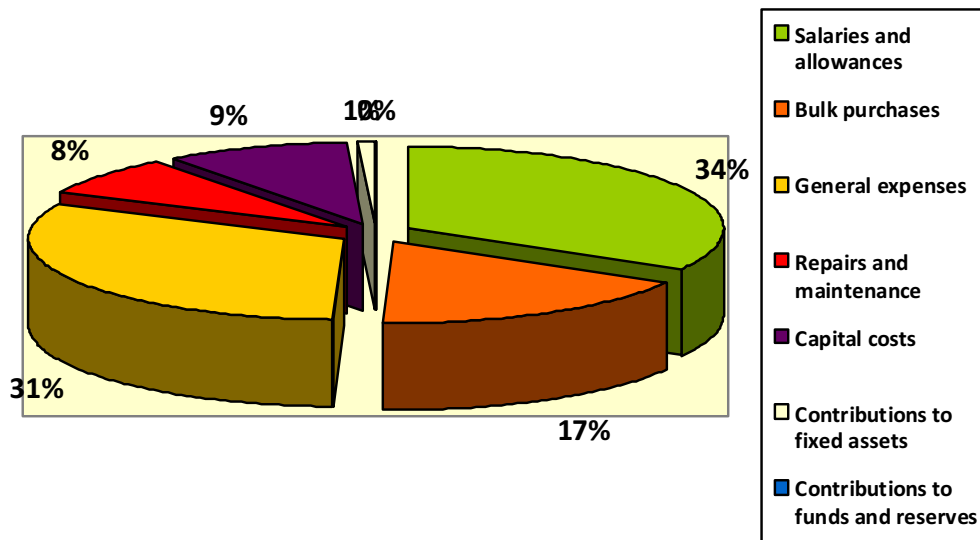
Summary of performance against budgets

Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
05/06	73 717	72 108	(1 609)	97,8	73 717	69 620	4 097	94,4
06/07	90 551	88 447	(2 104)	97,7	88 401	81 070	7 331	91,7
07/08	91 683	93 940	2 257	102.5	91 683	85 006	6 677	92.7

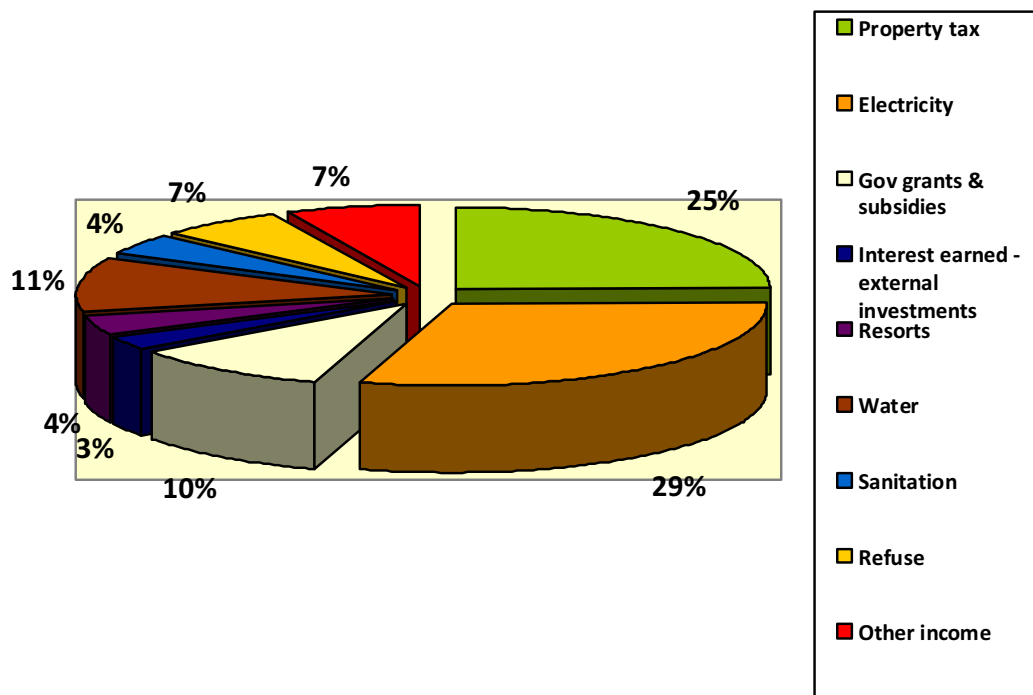
Table 42: Performance against budgets

The municipality performs well against both the revenue and expenditure budgets for the 2007/08 financial year. As mentioned above, we've ended the financial year with a surplus of R 8,9 million that can be ascribed to savings on certain budgeted items. The over recovery on revenue of 2.5%, was mainly due to more than budgeted for interest earned on investments.

Total operating expenditure 2007/08



Total revenue 2007/08



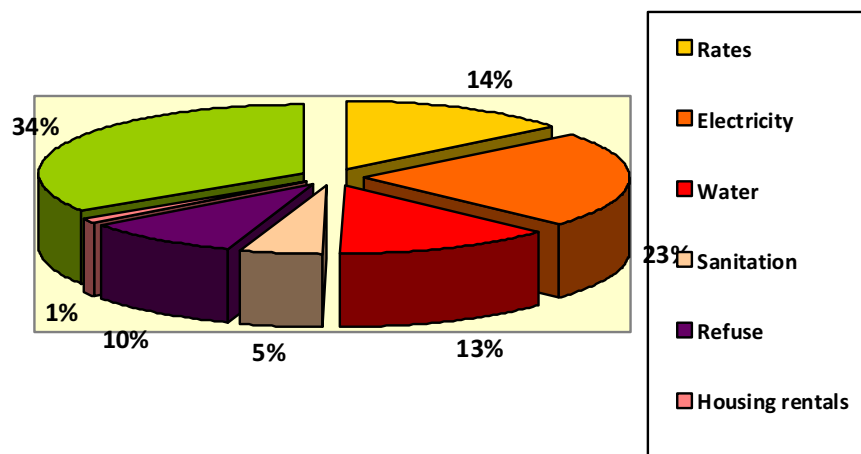
Gross outstanding debtors per service and total debtor age analysis as at 30 June 2008

Financial year	Rates	Trading services (Electricity and Water)	Economic services (Sanitation and Refuse)	Housing rentals	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2006/07	1 703	3 981	1 449	118	3 605	10 856
2007/08	1 583	3 992	1 618	116	3 802	11 111
Difference	(120)	11	169	(2)	197	255
% growth year on year	(7.05)%	0.28%	11.66%	(1.69)%	5.46%	2.35%

Table 43: Gross outstanding debtors per service

Note: Figures exclude provision for bad debt

Gross outstanding debtors (Excluding provision for bad debt)



Total debtors age analysis as at 30 June 2008

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Other Debtors	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2006/07	4 253	1 344	268	2 170	2 821	10 856
2007/08	4 208	1 093	275	2 651	2 884	11 111
Difference	(45)	(251)	7	481	63	255
% growth year on year	(1.06)%	(18.68)%	2.61%	22.17%	2.23%	2.35%

Table 45: Total debtor age analysis (Note: Figures exclude provision for bad debt)

The net growth in debtors is only 2.35%, which is not significant and due to effective credit control measures that cater for financial support to indigent households. During the past financial year outstanding debt to the amount of R 214 109 was written off and provision for bad debt to the amount of R 2,011 million was made in the financial statements as required by Legislation. For more details outstanding debtors, please refer to note 9 in the attached financial statements.

Level of reliance on grants and subsidies

Financial year	Total grants and subsidies received (R'000)	Total Operating Revenue (R'000)	Percentage (%)
2006/07	11 146	88 447	12.60
2007/08	13 735	93 940	14.62

Table 44: Reliance on grants

The municipality is not very reliant on external grant to finance expenditure and the percentage is in line with national norms. The total grants and subsidies received include the municipality's equitable share allocation of R 6,899 million from the national government, which is mainly utilized to finance free basic services and our indigent policy. For more details regarding grants and subsidies received, please refer to note 25 in the attached financial statements.

Liquidity ratio

Financial year	Net current assets (R'000)	Net current liabilities (R'000)	Ratio
2004/05	52 848	7 376	7.2:1
2005/06	63 303	6 864	9.2:1
2006/07	74 688	11 148	6.7:1
2007/08	82 691	14 720	5.6:1

Table 45: Liquidity ratio

Although there is a decline in the ratio, the municipality is still in a very healthy financial position and well above the national norm of 1.5:1. Outstanding debtors which form part of our current assets only accounts for 11,01%.

5.3 ACCOUNTING POLICY

Attached as Annexure A

5.4 FINANCIAL STATEMENTS

Attached as Annexure B

5.5 REPORT OF THE AUDITOR GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE CAPE AGULHAS MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Cape Agulhas Municipality which comprise the balance sheet as at 30 June 2008, income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages XX to XX.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the entity-specific basis of accounting, as set out in accounting policy note 1 and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act, 2007 (Act No. 1 of 2007) (DoRA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3)(a) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance on whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The municipality's policy is to prepare financial statements on the entity-specific basis of accounting, as set out in accounting policy note 1.

Opinion

9. In my opinion the financial statements of the Cape Agulhas Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended have been prepared, in all material respects, in accordance with the basis of accounting as set out in accounting policy note 1 and in the manner required by the MFMA and DoRA.

Emphasis of matter

Without qualifying my audit opinion, I draw attention to the following matter:

Highlighting critically important matter presented or disclosed in the financial statements

Unauthorised expenditure

10. As disclosed in note 29(i) to the financial statements, unauthorised expenditure totaling R766 916 was incurred during the financial year in terms of sections 1 and 15(b) of the MFMA, due to the exceeding of the approved budgets for two votes.

OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

11. The following information was not disclosed in the municipality's annual report for the 2006-07 financial year, as required by section 121(3) of the MFMA:

- The annual financial statements as audited by the Auditor-General.
- A comparison between the actual performance of the municipality and the set targets was not disclosed in the annual performance report in terms of section 46 of the Municipal Systems Act.

Matters of governance

12. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The municipality had an audit committee in operation throughout the financial year.	☐	
• The audit committee operates in accordance with approved, written terms of reference.	☐	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.	☐	
Internal audit		
• The municipality had an internal audit function in operation throughout the financial year.	☐	
• The internal audit function operates in terms of an approved internal audit plan.	☐	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.	☐	
Other matters of governance		
• The annual financial statements were submitted for audit as per the legislated deadlines in section 126 of the MFMA.	☐	
• The annual report was submitted to the auditor for consideration prior to the date of the auditor's report.	☐	
• The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		☐
• No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	☐	
• The prior year's external audit recommendations have been substantially implemented.	☐	
Implementation of Standards of Generally Recognised Accounting Practice (GRAP)		
• The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007.	☐	

Matter of governance	Yes	No
The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP.	☐	
The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008.	☐	

Unaudited supplementary schedules

13. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

14. I have reviewed the performance information as set out on pages XX to XX of the annual report.

Responsibility of the accounting officer for the performance information

15. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Responsibility of the Auditor-General

16. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.
17. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
18. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

19. The internal audit processes and procedures did not include assessments of the functionality of the municipality's performance management system and whether the system complied with regulation 14 of the Local Government Municipal Planning and Performance Management Regulations, 2001.
20. The municipality did not have a performance audit committee until 25 March 2008 when a separate performance audit committee was established. However, the established committee did not meet at least twice during the 2007-08 financial year and did not submit an internal audit report to the Cape Agulhas Municipality regarding the performance management system at least twice during the financial year, as required in terms of section 14 of the Local Government: Municipal Planning and Performance Management Regulations, 2001. Furthermore, they did not review the municipality's performance management system and make recommendations in this regard to the council of the municipality.

Lack of sufficient appropriate audit evidence

21. The actual achievement of 12 key performance indicators and targets as reported in the performance report could not be substantiated by adequate source documentation.

Evidence materially inconsistent with reported performance information

22. The evidence provided to support the following actual performance reported in the draft annual report was materially inconsistent with the reported performance information:

IDP objective	Key performance indicator	Target	Actual performance reported	Actual performance according to evidence
Basic service delivery: Roads	Storm water management system for Kleinbegin, Bredasdorp	2008/03/31	Achieved	Moved to 2008/09

OTHER REPORTS

Investigations

23. An investigation was conducted by an independent forensic firm that was appointed by the municipality to participate in an investigation committee. The investigation was performed in order to prepare a report with recommendations for possible courses of action relating to four cases of irregular expenditure which were reported in the audit report for the financial year ended 30 June 2006. The report by the firm dated 11 November 2008 was received by the municipality and submitted to Council on 25 November 2008 for consideration in terms of section 32(2) of the MFMA.

APPRECIATION

24. The assistance rendered by the staff of the Cape Agulhas Municipality during the audit is sincerely appreciated.

Auditor - General

Cape Town

30 November 2008



AUDITOR - GENERAL

5.6 REPORT OF THE AUDIT COMMITTEE

Attached as Annexure C